canada/yukon economic development agreement

Discovering Your Community's Opportunities and Resources

Community Economic Development
Booklet 2

Canada

Yukon
Government

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Understanding Your Local Community

A Community Economic Development project begins with an understanding of what is possible. Yukon settlements, because they are often small and far from large centres, will sometimes be limited to a few possibilities for new businesses and new types of work. But almost all communities have some opportunities and resources which can be used to:

- **improve the performance of existing businesses** - for example, by starting new training programs for small business owners or by coordinating a main street improvement project,
- **start new enterprises** - that will provide needed jobs or important services which were previously unavailable or inadequate, or
- **create work and encourage self-reliance** - by setting up community gardening projects, teaching young people how to survive and find food in the bush, or training people to repair their own boat motors and snowmobiles, to name just a few possibilities.

Anyone starting a project must make a real effort to discover what business and other work opportunities exist within their local economy. The method of discovering opportunities and resources is basically the same for all smaller communities.

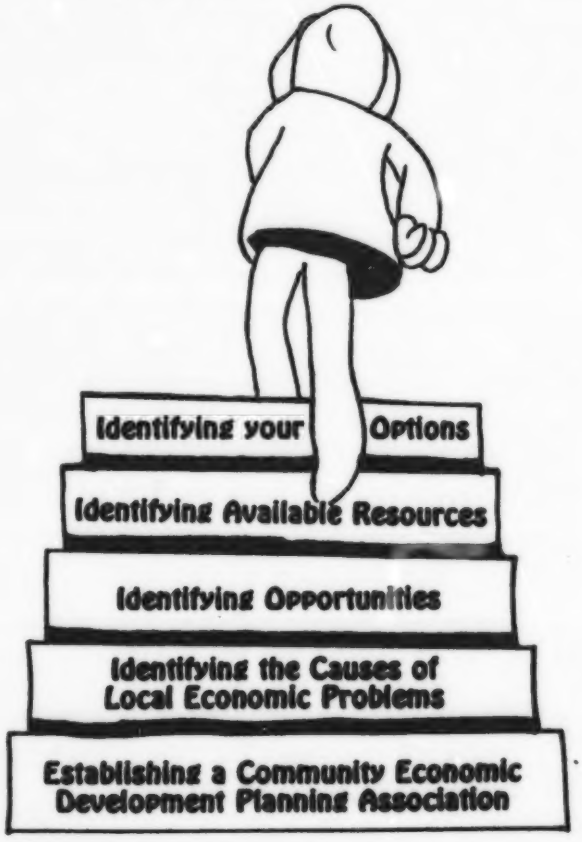
Determination, patience and creativity are critical to successful identification of economic opportunities and resources.

Your community's economy includes all work activities which make use of cash. These activities may be sponsored by the public sector (government); by the private sector (business and industry); or by the third or community sector, which is where most Community Economic Development projects take place. The "third sector" is neither public nor private. Instead it works with the other two sectors and makes use of resources from each one. Third sector activities are like private sector businesses in that they are designed to be financially self-supporting; but they are like the public sector in that they are developed in the interest of a community or group of communities. But the cash economy, which is also called the "formal" economy, is only one part of the whole picture of your community's economic life. There is also an "informal" economy, which includes all work activities not done for cash. Volunteer labour, housework, home repair, and gardening are prime examples of activities which make up the informal economy. Hunting, fishing or trapping — when done for barter, trade or family use — are also part of the informal economy.

A Five-Step Process For Identifying Opportunities and Resources

Opportunities and resources for economic development exist in the informal (non-cash) as well as the formal areas of the economy. New activities in either area will strengthen the whole local economy. In small communities, which have a small economic base, it is essential that people interested in Community Economic Development look at all aspects of that base.

Describing your community as it is and looking at what its economy could be is a job best done with the help of others. The first step for community members trying to identify opportunities and resources is to form a core group. This group may choose any one of a number of names for itself; but in general terms, it can be referred to as a Community Economic Development Planning Group or Association.


Identifying your Options
Identifying Available Resources
Identifying Opportunities
Identifying the Causes of Local Economic Problems
Establishing a Community Economic Development Planning Association

Step 1: Establishing a Community Economic Development Planning Association

Here is an example of how one Northern community managed to turn around an economic recession through the efforts of a locally-based planning association.

Suomussalmi is a small community in Northeast Finland. Traditionally people made a living by keeping a few cows and harvesting lumber from small privately-owned woodlots. Most people made a bit of extra income from fishing, herding reindeer, or gathering mushrooms, wild berries and lichens. But a decade of hard winters and a rising standard of living in the rest of Finland meant that many people were moving away. Community members began to worry that soon only a few old people would be left. Then someone heard that a university professor was helping to organize discussion groups in rural and Northern Finland to talk about the future of its communities. The professor was invited to come to a public meeting. As a result of his visit, the Village Action Committee was formed. The Secretary of the community (a locally elected official), a planner from the regional planning office, and a number of well-respected residents who were already active in community affairs were invited to sit on the Committee. All community residents were invited to come and speak with the Committee about their ideas and interests. After two years of discussion and study, conducted with the assistance of the local planning office and the university, the Committee developed a ten year plan for their community.

Suomussalmi would become a "biodynamic" community — a recognized source of organic agricultural products and a centre for the development of efficient, environmentally-sound forestry practices and small industries. Many people wondered if the plan would work; but, as the plan became action, they saw their community beginning to change for the better. After two years, there was a waiting list of people eager to take up the community's empty farms.

*(The story of Suomussalmi is described in more detail in Booklet 4, **Achieving Success.**)*

Not every community has the assistance of a university or college professor in starting its Community Economic Development Planning Association. Many communities do not need any outside help to gather together their planning group. Often a core group of about six people will get things started. Then, they will invite others to join them during the course of their work. It can be very helpful to include people like elected officials or those who are employed in the field of planning, because these people often have access to useful information and are accustomed to reading material written in technical language. When knowledgeable and experienced people are not available to join the Association as members, it will probably be necessary to seek consulting assistance, either from fieldworkers attached to government agencies or from private consultants. Sometimes government-sponsored programs in economic development or job creation will provide funding to hire consultants to assist with economic planning.

Local residents who work full-time or part-time for government agencies, such as the Yukon Housing Corporation, are ideal candidates for recruitment to a Community Economic Development Planning Association.

Step 2: Identifying the Causes of Local Economic Problems

This step in the planning process is often not given sufficient attention. Groups frequently assume that since it is their own community they are talking about, they are thoroughly familiar with its problems. But this assumption is usually only partially true. Residents are aware of what problems exist, but often do not fully understand the "root causes" of them. A complete understanding of the "root causes" is necessary for effective planning.

For instance, if your community has high levels of unemployment, the Community Economic Development Planning Association should start its work by understanding why this unemployment problem exists.

Some important questions to ask about a local unemployment problem are as follows:

1. How many and what kind of jobs are available locally?
2. How many of these local jobs are available to community residents?
3. If some local jobs are occupied by people from outside of the area, what are the reasons for this?
4. How many residents travel to work outside of the area, and what are the reasons for this?

In addition to answering questions about local employment, Planning Associations will also need to try to find the answers to these questions:

5. What services are not available in the community (eg. medical, dental, automotive, retail...)?
6. If there are needed goods and services not available in the community, why are they not provided by local businesses?
7. What natural resources (wood, agricultural land, fish, minerals, wildlife, clean water...) are in the area and how can they be accessed?
8. Are local residents willing to exchange goods and services on a non-monetary basis and to participate in organized voluntary activities or community exchange services?

Community Economic Development Planning Associations have successfully used several different ways of researching questions such as these. Some communities have used **Community Self-Studies** very effectively. This research method brings as many community residents as possible together to discuss problems and to develop a consensus on the causes of the problems. Community workshops are a key component of self-studies. The workshops are planned by the Association, often with the help of local research committees which agree to investigate different topics. Outside advisors are frequently called upon to help guide the overall process, which can involve meetings, independent research by small committees, and community workshops all taking place over a period of months. (The people of Suomussalmi, for example, spent two years doing self-study before they completed their first plan.) Outside advisors are also consulted in order to find or interpret specialized information needed by the research committees. Community self-studies work particularly well in communities which have active community organizations and residents who are used to working in groups on community issues.

Another way to answer "root cause" questions if for the Community Economic Development Planning Association to take a leadership role. The Association establishes a research committee which collects the necessary information from as many sources as possible. This method is not as complex as the self-study, but it usually means that a few volunteers end up with

a time-consuming and demanding task on their hands. Because of this drawback, most Associations choosing this method will pay a consultant, if possible, to help with their work.

Step 3: Identifying Opportunities

Analyzing the causes of local economic problems will reveal the roadblocks to Community Economic Development. **The roadblocks that can be removed occur in the areas where opportunities most likely exist.** Often the problem is the lack of readily identifiable services, such a taxi or bakery, which can be developed into a small businesses. These projects are the easiest to establish and are good starting points.

But if the community has all of the services it can support, the Planning Association should look at the possibility of developing a business which will bring outside people — and their money — to the community. Such a business might attempt to attract tourists or to produce a product which can be exported, such as high quality fish or wood products. This is what the people of Suomussalmi decided to do: to bring in people and cash by becoming a demonstration centre for forestry research and innovative small industry, and to export organic produce to cities where it would command high prices as a specialty product.

Enterprises which serve people outside your own community involve much more market research, are often more expensive to start and operate. Also, they must be able to compete with similar enterprises in other locations. With projects of this nature, thorough research and careful planning are the key to future success.

Introduction

iscovering Your Community's Opportunities and Resources is Booklet 2 in a series of 4 booklets on Community Economic Development. These booklets have been prepared for the use of Yukon communities under the Canada/Yukon Subsidiary Agreement on Economic Development Planning. Other titles in the series are:

Booklet 1
Finding Your Own Way: An Introduction to Community Economic Development for Yukon Communities
Booklet 3
Building a Community Economic Development Organization
Booklet 4
Achieving Success: Community Economic Development Initiatives in Northern Communities

This second booklet describes how to identify opportunities in your community for Community Economic Development projects, and how to find the resources you will need to plan your projects and make them successful. It also features a simple guide to the various types of resources, and lists Yukon organizations that can provide you with further information and assistance.

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Step 4: Identifying Available Resources

Once you have an idea of what opportunities are available, you can begin to look for resources. Start with your own community's resources. Community Economic Development is most successful when the community feels it owns the project. The best method for developing a real sense of ownership is to encourage community investment.

Community investments are not limited to money, but can include used equipment, land and the services of volunteers. In fact, it is nearly always the case that the most important and the most effective community investments are non-monetary. For example, Community Economic Development cannot happen without the work of a core group of people who form a Planning Association. The Association is always directed by volunteers. Without these people and the time, energy, and knowledge they have invested, there would be no Association and no Community Economic Development project.

Before the planning of a specific project can begin, the local Planning Association needs to be familiar with all of the resources available to it. Resources come from the local community or from outside sources, such as the government. They also come from both the formal and the informal halves of the economy.

A simple method of examining the resources available to your community involves first investigating local resources, both formal and informal; then external resources, formal and informal. The following pages contain a guide to investigating resources in this way.

It is important to contact your potential sources of support in order to fully explore what is available. Be sure to approach each resource group in the appropriate manner. For instance, organizations like government agencies or banks appreciate brief letters of introduction which outline the nature of the project and request a follow-up meeting. Local organizations and residents usually appreciate a more personal approach, where they can meet and discuss your ideas and needs with someone from your Planning Association.

A Guide to Resource Options

In order to secure the best combination of resources for your proposed Community Economic Development project, you should begin by exploring the full range of local resource options. Subsequently, your investigation should turn to resources available from outside your community.

Local Resources

Sources	Type of Resources
a) Formal (financial)	
Community residents	money for memberships money as donations money as equity investment loans money for entrance fees
Community organizations - service groups - churches - organized labour	as above
Local government	as above
Local businesses and financial institutions	as above
b) Informal (non-financial)	
Community residents	voluntary services and labour use of facilities use of equipment donated goods
Community organizations	as above
Local government	as above
Local businesses and financial institutions	as above

External Resources

Sources	Type of Resources
a) Formal (financial)	
Territorial and federal governments	grants, contributions, loans, equity investments
Charitable foundations	grants, possibly loans, assistance with mortgages
Churches	grants, loans, possibly equity investment, assistance with mortgages
Organized labour	grants, possibly loans, assistance with mortgages
Private business and financial institutions	loans, assistance with mortgages
b) Informal (non-financial)	
Territorial and federal governments	use of facilities and equipment
Charitable foundations	services of staff, Board use of equipment
Churches	use of facilities, equipment services of staff
Organized labour	use of facilities, equipment services of staff
Private business	use of staff, facilities, equipment, possible barter services

Reasons Why Local Sources may Give Resources to, or Invest in, Your Community Economic Development Project

- *personal or group recognition*
- *opportunity to participate*
- *the provision of some service in return*
- *possibly a financial return on the investment, usually at a lower interest rate than private banks*
- *prize or contest*

Reasons Why External Sources may Give Resources to, or Invest in, Your Community Economic Development Project

- *betterment of community life*
- *recognition of participation and support*
- *fulfillment of political goals and mandate*
- *repayment of loans or return on equity investments, although possibly at low rate of return*

Step 5: Identifying Your Community Economic Development Options

You are ready to develop a **project plan** once your Planning Association has:

- become familiar with some project ideas,
- surveyed the possible resources, and
- satisfied all concerned that adequate resources can be found to support one or more of its ideas.

If there are several possible projects, your group must decide on the order in which they should be developed. Establishing priorities is not always easy. In general though, you should plan to start with simpler projects which can be organized in a short time and then progress to more complicated ideas with longer "lead times". It is also important to keep in mind that the best first project is one which makes a concrete and visible contribution to your community. But the most important criterion is that you should start with a project that your group feels strongly about — one that everyone agrees is a good and important thing to do. Booklet 3 in this series, *Building a Community Economic Development Organization*, offers some advice on what your planning group can do to put its ideas into action.

Sources of Assistance and Additional Information

Local Organizations and Offices

1. General Information on Business and Business Development

Business Development Office, Department of Economic Development: Mines and Small Business, Yukon Government, Shoppers' Plaza, 211 Main Street; or Box 2703, Whitehorse, Yukon, Y1A 2C6. 667-3011, or 1-667-5955 toll free.

Regional Business Development Offices:

a) Old Territorial Administration Building, Box 810, Dawson City, Yukon, Y0B 1G0. 993-5747.

b) Holt Building, Box 226, Watson Lake, Yukon, Y0A 1C0. 536-2178.

c) Ross River. Call toll free number above for details.

Canadian Employment and Immigration Commission, Room 101, Federal Building (at Main Street and Fourth Avenue), Whitehorse, Yukon, Y1A 2B5. 667-5080.

Consumer, Corporate and Labour Affairs, Department of Justice, Yukon Government, Andrew A. Philipsen Law Centre, 2130 & 2134 Second Avenue; or Box 2703, Whitehorse, Yukon, Y1A 2C6. 667-5111.

Council for Yukon Indians, 22 Nisutlin Drive, Whitehorse, Yukon, Y1A 3S5. 667-7631.

Federal Business Development Bank, 240-204 Lambert Street, Whitehorse, Yukon, Y1A 1Z4. 668-4030 or zenith 03200.

Northern Affairs Program — Economic Development, Department of Indian Affairs and Northern Development, Government of Canada, 200 Range Road, Whitehorse, Yukon, Y1A 3V1. 667-3175.

2. Assistance and Information on Setting up Legal Structures

Consumer, Corporate and Labour Affairs, address as above.

Council for Yukon Indians, address as above.

Yukon Legal Aid, Andrew A. Philipsen Law Centre, 2130 & 2134 Second Avenue; or Box 2703, Whitehorse, Yukon, Y1A 2C6. 667-5210.

Yukon Public Legal Education Association, Box 4490, Whitehorse, Yukon, Y1A 2R8. 667-4305.

3. Financial Assistance and Lending

Business Development Offices, address as above.

Chartered Banks

Bank of Montreal, 668-6721.
Bank of Nova Scotia, 667-6231.
Canadian Imperial Bank of Commerce, 667-2534.
Royal Bank, 667-6416.
Toronto Dominion Bank, 668-5575.

Dana Naye Ventures, Box 5615, Whitehorse, Yukon, Y1A 3S9. 668-3908.

Department of Consumer and Corporate Affairs, Government of Canada, 95 Valleyview Drive, Whitehorse, Yukon, Y1A 3C9. 668-2333.

Department of Regional Industrial Expansion, Government of Canada, 308-108 Lambert Street, Whitehorse, Yukon, Y1A 1Z2. 668-4655.

Federal Business Development Bank, address as above.

Indian and Inuit Affairs Program — Band Support, Department of Indian Affairs and Northern Development, Room 316, Federal Building (at Main Street and Fourth Avenue), Whitehorse, Yukon, Y1A 3S9. 668-6474 (local 114).

Yukon Indian Development Corporation, Royal Bank Building, 4110 Fourth Avenue (at Main Street); or Box 4042, Whitehorse, Yukon, Y1A 3S9. 668-3908.

4. Management and Skill Development/Training

Business Development Office, address as above.

Council for Yukon Indians, address as above.

Federal Business Development Bank, CASE Program, address as above.

Indian and Inuit Affairs Program, address as above.

Yukon College, Department of Education, Yukon Government, 100 Lewes Boulevard, Whitehorse, Yukon, Y1A 3H9. 667-4262.

If you want to check on current programs, or if you hear of a specific program and want information on it, call the Yukon Government Information Desk: 667-5811, or 1-667-5955 toll free.

5. Business Licenses

Whitehorse, 667-6401; Dawson City, 993-5434; Faro, 994-2728; Haines Junction, 634-2291; Watson Lake, 536-7778; Carmacks, 863-6271. For territorial licenses and for areas not listed above, call Consumer, Corporate and Labour Affairs, 667-5111.

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